Sectt. II-27—60,004—17-11-48.

Development (1950 ~~194~~) Department.

M SERIES.

33

Letter ~~G.O.~~ NO. 1535

Dated 17-4-50

Karachi

3

Suplt.

[Despatch Abstract.]

Post war Dev - Industries - Activated Carbon factory - Establishment in Sukkur - Request for financial assistance — Negatived.

Mangalore,
South Kanara,
6th May 1949

49077

To

The Hon'ble Shri C.Perumalswami Reddiar,
Minister for Industries,
Government of Madras,
Madras.

MINISTRY FOR INDUSTRIES
11 MAY 1949
GOVT. OF INDIA

FOURTH ASSISTANT SECRETARY TO GOVT. OF INDIA
10 MAY 1949
DEVELOPMENT DEPARTMENT

Sir,

Subject: Activated Carbon Factory.

In view of the oft-repeated desire of the Governments - Central and Provincial - to promote the industrialisation of the country, I beg to submit herewith a Scheme for the establishment of a small new industry in this Province. It proposes to put up a factory for the manufacture of Activated Carbon. This is obtained by the carbonisation of certain vegetable materials like cocoanut shells by chemical processes and is extremely efficient as a decolorizer, purifier, deodorizer, absorbent, etc. It is used in a variety of industries, the more important being:-

(1) Oil mills and refineries where it is used for the purpose of purifying and decolorizing the oils. It leaves no deleterious effect on the oils and does not affect their taste

(2) Sugar factories and refineries where it ensures greater purity of the liquors and therefore a greater yield of the refined product.

(3) Glucose factories where its purifying and decolorizing properties ensure a clear and colorless produc

(4) Manufacture of fruit syrups, acid fruit juices, glycerine and chemicals such as lactic, citric and tartaric acids, turpentine, methylated spirit, etc.

(5) Ammunition factories for the manufacture of gas masks.

At present most, if not all, of the activated carbon used in this country by various industries is imported. The vegetable oil industry alone needs about 5000 tons of it annually. Therefore there should be no difficulty in finding a ready market for this product.

Regarding the cost of the product it may be pointed that the imported stuff is now being sold at between Rs.110/- Rs.125/- per cwt., whereas the indigenous product can be priced between Rs.60/- and Rs.70/- after allowing for a very fair margin of profit.

As the raw material required is cocoanut shells th

C Canara District is eminently suited for the location of the factory. During the last four months I have been trying to get some of the local people to take an interest in the Scheme with a view to promote a public Company with a capital of a couple of lacs of rupees. Though I have been able to get the consent of half a dozen people to join the Directorate, if and when a Company is promoted, I find that it will not be possible to get the required capital as the public is not industrially-minded. I am, therefore, approaching you with a request that the Government may be pleased to extend their support to the Scheme in any one of the following ways:-

D

(1) The Government to take up shares to the extent of half the issued capital of a Company to be promoted by me with an authorised capital of 2 lacs and issued capital of Rs.1,50,000/- i.e., the Government to contribute Rs.75,000/- towards the capital of the Company. I feel that if such support is extended by the Government the balance of the capital can be obtained from the public. The Government to have adequate representation on the Directorate and necessary control over the working of the Scheme.

E

(2) The Government to advance one lac of rupees by way of a loan and to have the necessary control and check over the execution and working of the Scheme. The amount to be repaid in five equal annual instalments commencing from the end of the 2nd year's working.

F

(3) The Government to undertake the Scheme on their own in which case I am prepared to offer my services to execute the project.

I shall be glad to furnish any further particulars which you may require for the consideration of the Scheme.

As regards myself I would like to give you the following references:-

1. The Hon. Dr. B.R.Ambedkar.
2. Shri K.R.Karanth, M.L.A.
3. " H.R.Pandiwala, Bar-at-Law, M.L.A.(Bombay).
4. " K.I.N.Iyengar, Director of Inspection, Ministry of Industry and Supply, Bombay.

Yours faithfully,

B. S. Rau

C/O National Pharmacy,
Hampankatta,
Mangalore.

Dev Dept

Encl. No. 49077 P&D II /49-1 d. 12-6-49.

Referred to the DI&C for urgent remarks.

11.5.49 11-5-49

To the DI&C (with copy of PP1-SEE)
D.D. 10.6.49.

Note: A note for circulation with ref. to HM(Ind)'s minutes on p.1 above will be submitted after the DI&C's reply is received.

11.5.49 11-5-49

Activated Carbon Factory.

Preliminary expenses	..	5,000
Buildings (Land to be taken on long lease).		20,000
Machinery and cost of erection.	..	65,000
Working Capital.	..	60,000
		1,50,000

Production and sales:

30 tons of activated carbon per month at Rs.60/- per cwt.	36,000
Less sales expenses. ..	6,000
	30,000
Monthly expenses including raw material, power, chemicals, depreciation, insurance, etc.	25,000
Net monthly profit.	5,000
" annual " ..	60,000
Less Managing Director's remuneration and provision for reserves and taxes.	35,000
Profits available for distribution as dividend.	25,000

N.B. 1. The maximum capacity of the plant will be 35 tons a month.

2. All the machinery can be fabricated here in about six months' time.

6.5.'49.

L.Dis.992 K1/49 Office of the Director of Industries and Commerce, Chepauk, Madras d/9-7-49.

75236 I & DE
12-7-49.

From

The Director of Industries and Commerce, Chepauk, Madras.

To

The Secretary to Government, Development Department, Madras.

FOURTH ASSISTANT SECRETARY TO GOVERNMENT DEVELOPMENT DEPARTMENT 16 JUL 1949

Sir,

Sub:-Industries -Activated carbon factory -Manufacture of activated carbon.

Ref:-Dev.Memo.No.49077 P&DII/49-3 dated 12-5-49. — p.8 ant

With reference to the Government Memo. cited, I submit that it is impossible to determine the merits of the proposal on its author from the meagre information furnished in his letter. If the applicant desires Government to subscribe a part of the share capital, the proper course for him to do would be to apply for aid under the Madras State Aid to Industries Act. The form prescribed for applications for aid under the act, if filled up properly, will enable the Department as well as Government to weigh the merits of the proposal in a proper manner. The author of the proposal may therefore be advised to apply for aid under the Madras State Aid to Industries Act and send his application to this Department.

Wattaleyan

for Director of Industries and Commerce, Madras.

PA/K.7.

Devt. (P&D II) Depat. 9

Letter No. 49077 P&D II/49- 4 dated 22- 7-49

To

Sri K.S. Row,
C/o National Pharmacy,
Hampankatta, Mangalore.

Sir,

Sub:- Industries- Activated carbon factory- Assistance from the Government.

Ref:- Your letter dated 5th May 1949 addressed to the H.M. for Industries.

I am directed to state that you may, if so advised, ~~submit an application~~ apply in the prescribed form, to the D.I&C, Madras for aid under the Madras State Aid to Industries Act.

Y.F.

Copy to the D.I&C
w.r.t. his L.Dis.No.
992/49d/ 9-7-49.

Development Deptt

MEMORANDUM NO. 49077 P&D II/49-5 dated 25.7.49.

Sub: Industries - Activated carbon factory - Assistance from the Govt.

Ref: From the D.I. & C., No. L. Dis 992-K1/49 d/9/7/49

In continuation of this Dept's letter No. 49077 P&D II/49-4 dated 22-7-49, addressed to Sri K.S. Row of the National Pharmacy, Mangalore (Copy sent to the Dir.), the D.I. & C. is requested to meet the person, get the necessary information from him regarding his scheme for the establishment of a factory for the manufacture of activated carbon, and submit a report to the Govt in the matter.

To
The D.I.& C.
R.D. 20-8-49

Memo. NO: 49047 PP&DII/49- 6 d. 22-8-49.

Sub: Industries - Activated carbon factory -
Assistance from the Govt:

Ref: Govt. Memo: NO: 49047 P&DII/49- 5 dated 25-7-49.

The D.I and C is requested to state when the report called for by the Govt: in the Memo: cited may be expected.

P.S
22-8-49. 22/8/49

Govt
22/8/49

P II asst

To
The D.I & C
N.R. 20-9-49

Govt
23/8

106620 P&D II
31-10-49.

INDUSTRIES & COMMERCE DEPARTMENT.

*****

From
The Director of Industries,
and Commerce,
Madras.

To
The Secretary to Government,
Development Department,
Fort St.George, Madras.

No.1531-K.1/49. dated 28-10-49.

Sir,

Sub: Industries - Activated carbon factory - Assistance from the Government.

Ref: Govt.Development Memo No;49077 P&D II/49-7 dated 17-10-49.

Sri U.S. Rau has furnished the particulars called for in respect of his scheme for the establishment of a plant in this Province for the manufacture of activated carbon. He has informed me that he expects to get technical assistance from Sri R.C.Poti of Chalakkudi Factory, Cochin. I have requested the Director of Industries, Cochin to let me know the ability of Sri R.C.Poti to work the scheme successfully and also the progress made by the Chalakkudi factory. I have also addressed the Director General of Industries & Supplies, New Delhi, as to the requirements of activated carbon in this country and the present sources of supply and the quantity imported into this country annually. I shall submit my report on hearing from the Director of Industries, Cochin and the Director General of Industries and Supplies, New Delhi in the matter.

for Director of Industries and Commerce.

TRS/29/10.

Dev Dept

Submitted for perusal. The further report promised by the Dirc at A above may be awaited till 1-12-49.

4 Xi 49

15

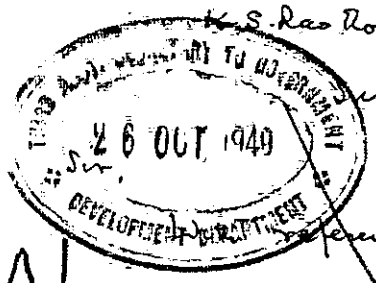
From
U. S. RAO,
National Pharmacy,
K. S. Rao Road, Mangalore.

To
The Secretary,
Development Dept, 26.10.49
Government of Madras

105105

Subject: Manufacture of Activated Carbon.

Sir,



With reference to the scheme submitted by me to the Government for setting up a factory for the manufacture of activated carbon & the discussions I had with the Deputy Director of Industries during the last week of August, I presume the Government must have received by now the Director of Industries' report on my proposal. As my plans for registering a company are ready I would very much appreciate if the Government will take a decision & communicate it to me at an early date.

I remain,
Yours faithfully,
U. S. Rao

Mangalore,
26. 10. 49.

Dev Dept

Letter No 49077 Pol II/49-8 dt 3-11-49.

To Sri U.S. Rao, % National Pharmacy,
K.S. Rao Road, Mangalore.

Sir,

Sub: Industries – Manufacture of Activated Carbon – Starting of a new factory.

Ref: Your letter dated 24.10.49

I am directed to state that the matter is ~~still~~ under the consideration of the ~~Dte~~ Govt.

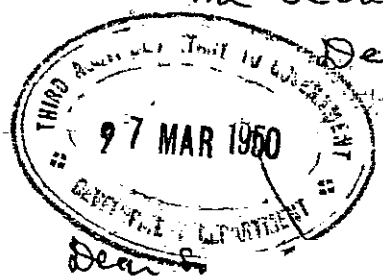
YF

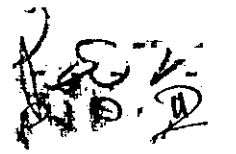
1.11.49

3/11/49

Mangalore, 17
24.3.50

To The Secretary,
Development Department,
Government of Madras.





Manufacture of Active Carbon- Starting of a new factory.

Dear Sir,

Reference your letter no. 49077 P+D II/49-11 of 12.1.50. I hope you have by now received the report from the local authorities who were making some protracted enquiries here sometime ago & found it satisfactory.

As it is more than ten months since I submitted the scheme to the Government I shall feel grateful if an early decision is taken in the matter.

Yours faithfully,
K. S. Rao

~~30~~ 18

Development Deptt

LETTER No. 49077 P&D II/49-K dated 28/3/50

To

Sri U.S. Rav.,
C/O National Pharmacy, ~~Hanconkatta~~, K.S. Rao Road, Mangalore

Sir,

Sub: Industries - Activated carbon factory - Establishment in S.Kanara.

Ref: Your letter dated 24-3-50

I am directed to state that the matter is still under consideration.

27.3.50. 27.3.50.

Note: The D.I.& C. to whom a reference has been made is awaiting a reply from the D.G.(I.&.S.).

27.3.50. 27.3.50.

Industries & Commerce Department.

From
Sri M.T. Raju, Bar-at-Law., I.C.S.,
Director of Industries & Commerce,
Macays Gardens, Madras.6.

To
The Secretary to Government,
Development Department,
Fort St.George, Madras.

1618. A.1./50. dated 1--4--1950.

Sir,

Sub: Industries - Establishment of an Activated Carbon Factory - Assistance from Government.

Ref: Govt.Memo.49077 P&DII/49-5 & 13 Development dated 25-7-49 and 16-3-50 respectively.

I. The proposal of Sri U.S.Rau envisages the setting up of a factory at Kasargoda, South Kanara District for the manufacture of activated carbon from the shells of cocoanuts. The production capacity of the proposed factory is stated to be 360 Tons of Activated Carbon per annum. Its capital requirements are estimated by the applicants at Rs.1,30,000 and I have been informed by the Directorate General of Industries & Supply that the estimate is reasonable.

(2). Sri U.S. Rau has stated that it is proposed to utilise the services of one Sri R.C. Poti, as Technical Adviser Sri R.C. Poti is reported to be the Managing Director of the Cochin Chemical Industries ltd, which, however, is reported to be not working at present due to lack of funds. The test report conducted by the Indian Institute of Science, Banglore, on a sample of activated carbon prepared by Sri Poti shows that his product is only about 60 to 65% as good as an imported variety of activated carbon with which it was compared.

(3) The Collector of South Kanara has reported that Sri U.S. Rau is an unsteady person of doubtful reliability and that he has not been able to produce any credentials in support of the claims made by him of having held responsible posts in various business concerns. It is also reported that none of the other Directors of the proposed Company possess any business experience. A copy of the Collector's report D.Dis.3590/50 dated 8-3-50 is enclosed for the information of Government.

I consulted the Directorate General of Industries and Supplies, New Delhi and was advised that the annual requirements of this country in activated carbon are about 1000 tons and that the commodity is being mainly imported from abroad at present. It would seem, therefore, that the development of this industry requires to be actively fostered.

(4) Although there would thus appear to be considerable scope and prospects for the project contemplated by Sri U.S.Rau, it is doubtful how far sri Rau could be depended upon for its implementation. In view of the Collector's report about the unreliability of Sri Rau, it would be inadvisable to extend any aid to his company, either by way of subscription of shares or of grant of a loan unless its management is entrused to more competent and reliable persons.

V. Venkatarayudu
4.4.50
for Director of Industries and Commerce.

TRS/4/4.

Encl: One.

Copy of letter D.Dis.3590/50.dated 8-3-50 of the Collector of South Kanara, to the Director of Industries and Commerce,Madras.6.

Sir,

INDUSTRIES - Establishment of a factory for the production of activated carbon at Kasargod by Sri U.S. Rao - report.

Ref: Your No.1531-kl/49 dated 6-2-50 and reminder dated 28-2-50.

The Revenue Divisional Officers of Mangalore and Puttur have held enquiries on the financial standing, business experience and reliability of the persons who have been proposed by the promoters as Directors of the proposed company, and their reports show as follows:-

1. Sri B.S.Rakklaya, B.A, B.L., Advocate and Landlord, Kasargod is a leading Advocate of Kasargod belonging to a Joint Brahmin family paying an assessment of Rs.1000/- He is also the president of the Kasargod Cooperative Stores and the Weaver's Cooperative Society at Kasargod. His share of the family property is assessed at Rs.250/- He is reliable financially stable.

2. Dr.P.N. Bhat, Managing Director, Forest Farms Ltd., Kasargod is a leading physician of Kasargod belonging to a joint Brahmin family paying an assessment of Rs.150/- and is also one of the directors of the Forest Farms Ltd., Kasargod. He is reliable and financial stable.

3. Sri B.V. Krishnayya, B.A., B.L., Advocate, Mangalore is a Civil Lawyer practicing in the Civil courts, is the son of a retired Subordinate Judge owning some family property the value of which may not exceed seventy five thousand. But, he is a co-partner in a Hindu Joint family having a right only to an undivided portion of the property. Except the immoveable properties, the Revenue Divisional Officer does not consider that he is financially so rich as to become the director of any large scale enterprise. Regarding his business experience, the Revenue Divisional Officer doubts if he can ever lay claim of any business experience. The Revenue Digisional Officer adds that he is not aware of any business in which he could have acquired business experience, and that at best he could be a paying partner and director, but cannot be considered to have the capacity to conduct the business of the firm. He is honest and reliable.

4. Sri K. Sham Bhat, Advocate and landlord, Mangalore is a lawyer practicing the Civil side, belongs to a Premier Havik Brahmin family of Perdal village in Kasargod Taluk, is permanently in Mangalore for the sake of his profession. He is an individual member of a very big Hindu Joint family with the value of the family properties estimated at 2 or 3 lakhs. But on this large property, the individual is having a small share, being the junior member of a junior branch of the family. His individual worth may be about Rs.50,000/- like no 3 above, he cannot also alaim any business experience. The Revenue Divisional Officer adds that nothing can be said about his character, and rehability, but he has no confidence in his business capacity.

5. Dr. Nagappa Alva, Mangalore is a junior member of a leading Bunt family governed by the Aliyasanthana family. He is the president of the Town Congress Committee, Mangalore. Financially, he is not very well off though he may be having sufficient to lead a luxurious life from out of the income of the family property of himself and his wife. His earnings in the medical profession

P.T.O.

may not be considerable on account of his many sided non professional public activities. The Revenue Divisional Officer adds that, as regards his business capacity, he is doubtful there was any concern in which he could show his business capacity, and that being a straight and very good natured congress man wedded to the cause of service, it is doubtful whether he can ever take to business successfully. He is reliable, straight and sincere but from the business point of view, he cannot but be a failure.

6. Sri U.S. Rao is known very little in Mangalore, he has been mostly outside the district residing permanently in Bombay for the last over 30 years. Being a person very little known here, thereis no basis to know about his financial standing According to information furnished by him he has been a rolling stone in Bombay, though holding responsible jobs. The following are the jobs held by him according to his uncorroborated version.

1. Asst.Secretary- Tata Oil Mills,Bombay for about 3 years
2. Asst.Editor - Indian Daily Mail and Manager Indian daily Mail Press, Bombay for 4 years.
3. Secretary to the Indian Broadcasting company, Bombay and Station Director, Bombay- 4 years.
4. Secretary-Prahlad Mills Ltd., Bombay 6 years.
5. Secretary to the Managing Director of a group of Industrial concerns, Nagpur.
6. Laison officer-welfare branch Defence Department Government of India.

But he has not been able to produce any credentials in support of his claim to have held these jobs. From what he says, he is not in service in Bombay now and is engaged in the formation of the present proposed concern. The Revenue Divisional Officer adds that from his enquiries and impressions about him he appears to be a unsteady person laying claims to have held various responsible jobs, but that he cannot accept any of his statements in the absence of proof which he has none. His financial standing none is able to know and he himself does not wish to vindicate. The Revenus Divisional Officer also adds that nothing is known and can be said of his reliability, but from the way he has been a rolling stone, his reliability has to be doubted until sufficient proof to the contrary is adduced.

7. I fully agree with the views expressed by the Revenue Divisional Officers concerned.

(True Copy)

Dev. (P&D) Dept.

LETTER NO. MS. 4. 1535 DATED 17.4.50.

To

Sri U.S. Rav,
C/o National Pharmacy,
K.S.Rao Road,
MANGALORE.

Sir,

Sub: POSTWAR DEVELOPMENT--Industries--Activated carbon factory -- Establishment in South Kanara -- Request for financial assistance.

Ref: Your letter dated6.5.1949 addressed to the H.M. for Industries.

I am directed to say that the Govt. have no objection to your proposal to set up a factory in the South Kanara District for the manufacture of activated carbon, but ~~they~~ regret that no financial assistance can be given.

Y.F.

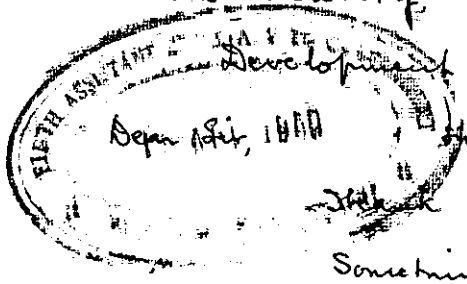
Copy to the D.I & C. w.r.to his letter No.1618-A1/50 dated 1.4.50.

U. S. RAO,
c/o National Pharmacy,
K. S. Rao Road, Mangalore,
16. 4. 53

25

To

The Secretary,
Development Department, Government of Madras.



Sub: Activated Carbon Factory - Establishment in Sikkavaram

Thank you for your letter no. 49077 - P+D II / 49-1 dt 34189

Sometime ago the local Revenue Divisional officer wrote to me to see him as he desired to discuss my proposal to promote a company. Accordingly I went to him. The trend of the interview was as though I had gone to him seeking a job or a favour. Naturally it was somewhat distasteful to me. But I tried my best to answer his queries without showing my feelings. Towards the end of the interview he asked me what my financial position was. I wondered what answer he expected of me - whether I was supposed to lay before him a balance sheet of my assets & liabilities or to tell him that I was worth so many rupees, annas & pies. In the context of my proposal to the Government which did not envisage a loan or advance against any security to be offered by me I felt that my financial balance-sheet was not called for. So, I told him, perhaps somewhat pointedly, that I was neither a capitalist as ordinarily understood, nor have I ever been hauled up for any civil liability; for the rest he might draw his own conclusions from the fairly remunerative & highly responsible positions I have held for about twenty years or alternatively, refer to the people who had provisionally given their

Support to my scheme & whom he claimed to know personally. That brought the interview to a somewhat abrupt end.

Having been domiciled in Bombay for nearly three decade not many people here know me intimately, but those who have offered to help me in my scheme who are all men of standing & position, know me well enough to be fully confident of my financial integrity & business morality or else they would not even have considered for a moment my offer of a Directorship. That by itself should be sufficient to establish my bona fides. Further, if my intentions were not straightforward, instead of patiently while the Government are considering my proposal, I would have registered a company, collected whatever I could from the public, & after benefiting myself as much as possible, liquidated the Company on the plea that sufficient capital was not forthcoming. I did not adopt this course because I had from the outset decided not to register the Company until I was fully confident that I would get the required capital & make the scheme a complete success. That was the reason I sought Government's support, though the consequent delay has cost me not a little.

If these considerations are not enough to establish my bona fides a reference may be made to any of the following:—

1. Shri K. R. Karanth, M.L.A. Mangalore 2. Shri V. S. Rangasayi, Deputy Director of Inspection Ministry of Industry & Supply, Defence. 3. Shri H.R. Pandiwalla, Bansi-das, M.L.A. Marg M, Bombay 4. Seth Muraji Narotam, Walkeshwar, Bombay. 5. The Vijaya Bank, Ltd Kadri Dist, Mangalore

Yours faithfully

Dev Dept 27

2 AS.

Please see the letter at pp 1-2 above from Sri U.S. Rao of Mangalore re: his scheme for the estt. of an activated carbon factory ~~at~~ in the S. Kanara Dt. The Govt's decision on ~~Sri Rao's~~ the scheme has already been communicated to him — vide letter at p 23 c.f. of (U), which seems to have crossed the letter at pp 1-2 ante. No separate action seems called for. This may be lodged and added to the previous papers at (U).

Lr No 1535 Dev. — 17-4-50.

19.4.50.

19.4.50.

Sd/-

21.4.'50

From

Shri V.S. RAV,
of National Pharmacy, K.S. Rao Road
Mangalore, S.K.

To

Shri R. Sundaram, I.C.S.,
Secretary to Government, Madras

SECRETARY TO GOVERNMENT
24 APR 1950
DEVELOPMENT DEPARTMENT
35437

Sir — Sub: Industries - Activated carbon factory.

I am in receipt of your letter No. MS 12.35 of the 17th ult which has crossed mine of the 16th. I hope you will reconsider the matter of financial assistance in the light of the considerations referred to in the letter. If, however, you finally adhere to the decision already arrived at, I shall be obliged if you will at least confirm that the Government have examined the possibilities of the industry and are satisfied that it is a commercially sound proposition and will be a welcome addition as a small-scale industry if properly organised and conducted. Such a declaration from the Government on the merits of the industry without assuming any responsibility whatever may, instead of the merely negative or objection attitude, be of some help to me in case I decide to launch the scheme without the Government's active cooperation.

Dev Dept
Endt No 35437 Pro II/50-1 dt 26/4/50 — faithfully
Referred to the D.I.&C. for urgent remarks.

The D.I.C. 25.4.50.
D. 12.5.50

INDUSTRIES & COMMERCE DEPARTMENT.

41120 PL 50 10.5.50

From
Sri M.T.Raju, Bar-at-law, I.C.S.,
Director of Industries & Commerce,
"Mackays' Gardens",
Mount Road, Cathedral P.O., Madras 6

To
The Secretary to Government,
Development Department,
Madras.

No.2710/A1/50 dated 5----5----50.

Sir,

Sub: Industries - Development - Activated Carbon Factory - Establishment in South Kanara District - Request for financial assistance - Regarding.

THIRD ASST. SECRETARY TO GOVERNMENT 10 MAY 1950

Ref: Government Endorsement No. 35437 P & D II/50-1 Development dated 26----4----1950.

In his letter dated 21-4-50 forwarded to me with the Government endorsement cited above, Sri W.S.Rao has requested Government for a declaration that the proposals for the establishment of a factory for the manufacture of Activate Carbon submitted by him, in his letter dated 6--5--49 addressed to the H.M.Industries, is a commercially sound proposition, I invite Government's attention to my letter No. 1618.A1/50 dated 1--4--50 wherein I have already reported that the Director-General of Industries and Supplies, New Delhi considers the industry worthy of being fostered, and Sri Rao's estimate of capital requirements to be reasonable. It is not however possible to correctly assess the commercial possibilities of the industry, as the only other factory of its kind established in Cochin is reported to have not yet reached the stage of commercial production and as further it is not possible to envisage the quality of products which the proposed concern may possibily turn out. It would be rash to attempt to pronounce on the commercial possibilities of the venture in view, especially since, as has already been reported in the last para 4 of my letter dated 1--4--50, doubts have been cast on the competency and dependability of the promoter of the scheme Sri Rao. It is therefore suggested that Government may decline to issue the declaration asked for.

for Director of Industries and Commerce,
Madras.

SDS-8.5.50

Dev. (P&D) Dept.

LETTER NO. 35437-P&D.II/50-2 DATED 11.5.50.

To)

Sri U.S.Rav,
C/o National Pharmacy,
K.S.Road, Mangalore.

Sir,

Sub: INDUSTRIES -- Activated Carbon Factory.
Ref: Your letter dated 21.4.1950.

I am directed to say that the Govt. ~~see no reason to reconsider the decision communicated with their letter No.Ms.1585 dated 17-4-50. I am also to state that the declaration asked for in your letter cited cannot be given.~~ cannot take any further action in the matter at present.

Copy to the D.I & C.

D.O.No.1998 A1/58

SECRETARIAT TO GOVT. MADRAS
7 MAR 1958
DEVELOPMENT DEPARTMENT

GOVERNMENT OF MADRAS

Director of Industries
and Commerce,
Madras-6, 6.3.53.

My dear Lakshmanan

Sub: Industries - Development - Activated Carbon Factory - Establishment of.

I enclose a copy of the letter dated 3.3.53 from H.M.Industries, referring to a proposal submitted to Government by one Sri U.S.Rao of Bombay, for the establishment of an Activated Carbon Factory. In this connection I invite a reference to my letter No.1618 A1/50 dated 1.4.50 in reply to the Government Memorandum No.49077 P & D II/49-5 dated 25.7.49 and to my letter No.2710 A1/50 dated 5.5.50 in reply to the Government Endorsement No.35437 P&DII/50-1 Development dated 26.4.50, on the subject, and shall be grateful if the relevant facts are placed before H.M.Industries. I also enclose herewith a copy of this office letter No.12109 A1/52 dated

5.1.53 addressed to Sri U.S.Rao of Bombay, which is referred to in H.M's letter cited.

Yours sincerely,
M. J. Rajiv

Sri J.M.Lobo Prabhu, I.C.S.,
Secretary to Government,
Development Department,
Fort St.George, Madras.

Copy of D.O.letter dated 3rd March 1953 from Dr.U.Krishna Rao, Minister for Industries,Labour and Motor Transport, to the Director of Industries and Commerce,Madras.

Whilen I was in Bombay one Mr.U.S.Rav spoke to me about his having written to you in 1949 and submitted proposals for starting an Active Carbon industry. It seems the matter was examined in your department and certain conclusions were arrived at. But he says the Government refused to give him the opinion of the Expert Committee who examined this project. I told him it is quite possible that the matter may be confidential and not for public consumption. Kindly let me know what the real facts are. The reference, I believe, in your department is L.Dis.12109-A1/52 dated 5-1-'53

A

/5 below

/True copy/

Krn.6-3. 6/4/53

539

Copy of letter No. L.Dis. 12109 A.1/52 dated 5-1-53 from the Director of Industries and Commerce, Madras-6 to Sri U.S. Rao, C/o Sri R.K. Karanth, Ist Floor, Bombay Mutual Buildings, Fort, Bombay.

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Sub: Industries - Development - Activated carbon Factory - Establishment of -

Ref: Your letter dated 22-12-52.

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Your letter cited above has been received. Your previous letters do not seem to have been received in this office. The only information that is available in this office records, is that in 1949, you applied for aid under the State Aid to Industries Act, to set up a factory for the manufacture of activated carbon at Kasargod and that you were duly informed that no financial assistance could be given to you for the project and that Government did not propose to take any further action in the matter.

/true copy/

KRV/6-3

Industries - Activated carbon factory — Manufacture of Activated Carbon

3/7

Extract of HM(Ind)'s minutes on p. 1 C.F.:

Please put up"

C.P.
9-5-49.

In his letter on pp. 1-5 C.F. Sri M.S. Rao of Mangalore submitted a Scheme for the establishment of a factory in this Province for the manufacture of Activated Carbon. This Chemical is ~~now~~ used in the manufacture of refined oils, Sugar, glucose etc. At present most of the chemical used in this country is imported from abroad. The raw material used in its manufacture is cocoanut shell, which is available in plenty in this Province. Mr. Rao is prepared to start a small factory if Govt. are prepared to advance financial assistance and to take up shares.

A in p. 1 C.F.
B ibid
C ibid
p 2 C.F.
p 3 C.F.

The Scheme was referred to the D.I.&C. for remarks. Please see the Director's reply on p. 7 C.F. The Director states that it is not possible to determine the merits of the proposal (from the available information) or its author and that if he wants any financial assistance from Govt., he may be asked to submit an application under the State Aid to Industries Act.

A draft reply to the petitioner is submitted for consideration.

Thro' DA
19.7.49

MS
19.7.49

he
19.7.49

SR
20/7/49

meanwhile D.I.C may see the person get the necessary information & submit a report

HM (Ind) C.
22/7

21/7

W/22/7

2

Issued as Letter ~~No.~~ No. 49077 PSD II/49-4 dy 22-7-49 p 4 c f

With reference to the orders in circulation at the bottom of p.1 above, a draft Memo to the Dire is submitted for approval

28/7/49
25-7-49

Issued as Memo. No. 49077 PSD II/49-5 dy 25-7-49 p 1 c f
From the Dire No 1618—A1/50 dated 1-4-50. p 19 c f
To AS. Notes from p. 1 above may be read.

Sri U.S. Rav of Mangalore submitted a scheme in May 1949 p 5 c f for the establishment of a factory in South Kanara for the manufacture of activated carbon from coconut shell and requested Govt. to give him financial assistance. With reference to the orders in circulation on p.1 above, the D.I & C was asked to contact Sri Rav and submit a report to Govt. The Director after discussing the scheme with its author and consulting the D.G.(I&S) and the Collector of South Kanara, has submitted his report (P.19 c.f.) b 11 c f

The D.I & C considers that the manufacture of activated carbon ~~is to be actively fostered~~ may be encouraged as the bulk of India's ~~entire~~ requirements of this chemical ~~is~~ are being imported from abroad. The capital requirements of the factory proposed by Sri U. S.Rav are also reported to be reasonable. But the Collector of South Kanara has reported that Sri S.Rav and ~~his partners~~ the other Directors of the proposed concern have no business experience. ~~and that they are not reliable~~ The D.I & C therefore considers that no tate Aid should be given to the promoters unless the management is entrusted to more competent and reliable persons. A on p 14 c f B on p 19 c f ✓ pp 21-22 c f C on p 19 c f either by way of subscription of shares or the grant of a loan

It is for consideration whether Sri U.S.Rav may be informed that Govt. are unable to help him financially.] may be done

T Krishnaswamy 12/4/50

6.4.50
10.4.50.

12/4/50

14/4/50

SECRETARY TO GOVERNMENT
15 APR
DEVELOPMENT DEPARTMENT

With reference to the orders in circulation on p 2 above, a draft letter to Sri U.S. Rav. is submitted for approval.

MS
15450
15.4.50.

SR
17450

h23 CF Issued as letter No. 1535 Dev dt 17.4.50

35437/50.

Dev. (P&D) Dept.

To A.S.

Please see the letter on p.1 c/f ante from Sri U.S.Rav of Mangalore regarding his proposal ~~for~~ starting an activated carbon factory in the South Kanara District. In the letter on p.23 c.f. of (D) Sri Rav has been informed that the Govt. have no objection to his proposal to start a factory but that no financial assistance can be given. Sri Rav now requests Govt. to reconsider their decision regarding financial assistance and if this is not possible, at least to give a declaration to the effect that the manufacture of activated carbon is a commercially sound proposition and will be a welcome addition as a small-scale industry, if properly organised and conducted. The petitioner expects that such a pronouncement by Government will help him in successfully floating a concern for the manufacture of activated carbon.

H on p1 ante

B on p1 ante

Attention is invited in this connection to the D.I.&C's report on p.19 c.f. of (D) which shows that there is great scope for this industry and the establishment of a factory for the manufacture of activated carbon deserves encouragement. It is for orders whether the declaration asked for by Sri U.S.Rav will be given.

A on p19 c/f (D)

MS 24/4/50 24.4.50.

The letter may be referred to the Dte for remarks

S 25/4/50

A draft Endt is submitted for approval on p1 c/f.

MS 25/4/50 25.4.50.

S 26/4

P1.c.f.

Issued as Endt: No: 35437 P1 Dev/50-1 dated 26/4/50.

From the Dire No. 2710. A1./50 dy 5.5.50.

Please see the letter on p.3 c/f from the Dire in reply to the Endt on p1 c/f ~~for the circumstances~~ ~~p.3 c/f, the D.I.C. does not recommend the issue of Declaration~~ ~~requested by the Dire a draft Endt letter to Sri U.S.~~ ~~asked for by Sri U.S. Rav. The Dire's report may be~~ ~~Rav. is submitted for approval.~~

MS 10/5/50 10.5.50.

accepted. Subject to orders a Draft reply to Sri Rav is submd. for approval.

S 11/5/50 S. 11/5

&b.

Issued as Letter. No: 35437 P2DII/50-2 dated 4-5-50.

p. 5

DEVELOPMENT (P&D.II) DEPARTMENT.

Sub: INDUSTRIES--Activated carbon manufacture--Establishment of a factory.

Ref: From the D.I & C., D.O.No.1998-AI/53, dated 6-3-1953.

The correspondence on pp.1-5 c.f. may be perused. In 1949 Sri U.S.Rav of Bombay submitted a scheme for the establishment of a factory in South Kanara for the manufacture of activated carbon. This chemical is used in the oil, sugar, glucose etc. industries as a decolouring and purifying agent. India's annual requirements of activated carbon are estimated at 1000 tons and this is mostly imported. Sri Rav's proposal was to set up a plant to manufacture 360 tons of activated carbon from coconut-shell. The capital needed for the undertaking was Rs. 1.5 lakhs. As local enterprise was shy, Sri Rav requested the Government to subscribe half the capital or give a loan of Rs. 1 lakh. The D.I & C, who was consulted, reported that the manufacture of activated carbon might be encouraged so that the country need not depend on imported carbon and that the capital requirements of the proposed concern were also reasonable. He however stated that a sample of activated carbon produced by Sri R.C.Poti with whose technical collaboration Sri Rav proposed to set up the factory, was tested at the Indian Institute of Science, Bangalore but did not compare favourably with imported product. The Collector of South Kanara also reported that Sri Rav was an unsteady person of doubtful reliability and that none of the persons proposed as directors of the undertaking had any business experience. The D.I & C therefore advised against Government participating in Sri Rav's proposed venture. He was accordingly informed that Government had no objection to his proposal to set up the factory but could not give him any financial help. Subsequently, Sri U.S.Rav asked for a declaration that the Government were satisfied

about the commercial possibilities of the industry and that it would be a welcome addition to small scale industries if properly organised and conducted. He stated that such a declaration by Government would help him in floating a Company for the purpose. The D.I & C was consulted in this regard. He advised against such a declaration because he considered that it would be rash to pronounce on the commercial possibilities of the undertaking and in view of the doubtful antecedents of the promoter. The Government therefore declined to give the declaration.

With reference to 'A' on p.3 c.f. it is submitted that no 'expert committee' examined his project as mentioned by Sri Rav and he is presumably referring to Government's refusal to give the declaration asked for by him. In the circumstances it is for orders whether any action should be taken in the matter.

I have seen the list of Directors, and I find that some of them are men of stakes, who would not be associated with a shady or unstable company. Since the industry has an undoubted future, just as South Kanara has special facilities, we may not be able to contribute to the commercial possibilities of the venture, but we can show our interest in it by sanctioning loan under the State Aid if Mr Rao may therefore be informed that Govt are prepared to consider a loan and he may apply to D I & C

I do not think Mr Rao is more interested in starting the industry in Madras State. He only wants a certificate testifying to the excellence of his product. All things considered I think it may not be advisable to commit this Govt. No reply need be sent.

M Krishna Rao
13.3.53

The papers may be placed in
Attached with Ref. No. 1535/ Dept-1 dt 17-4-53

13.3.53.

13/3/53